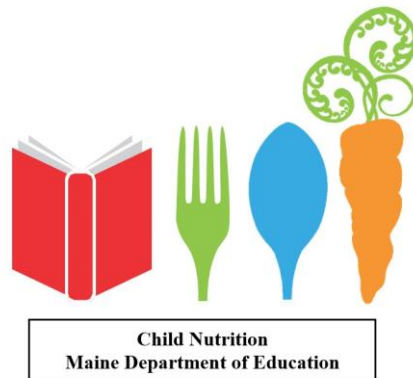


# Procurement Requirements for School Nutrition Programs

Maine Department of Education  
Child Nutrition Programs



# What Is Procurement?

- ▶ A multi-step process for obtaining goods/services at the best possible price.
  - ▶ Writing specifications
  - ▶ Soliciting bids/proposals
  - ▶ Evaluating responses
  - ▶ Awarding the contract/making the purchase
  - ▶ Managing the contract/agreement

# 4 Keys of Procurement

1. Buy American Provision
2. Regulations (Federal, State, & Local)
3. Full and open competition
4. Responsive and responsible vendors

# 1. Buy American Provision

- ▶ Purchase to the maximum extent possible domestic commodity or product that is produced in the U.S. and a food product that is processed in the U.S. using substantial agricultural commodities that are produced in the U.S. 7CFR 210.21(d)
- ▶ Exception for products not grown/produced in the US and significant price differential (bananas)
- ▶ Include a “Buy American Clause” in procurement documents.

## 2. Federal Procurement Regulations

- 2 CFR 200
  - All programs receiving federal funds
- 7 CFR 210.21 / 7 CFR 220.16
  - NSLP/SBP
- 7 CFR 225.17
  - Summer Food Service Program
- 7 CFR 215.14
  - Special Milk Program

### 3. Full and Open Competition

- ▶ Level playing field for all possible vendors
  - ▶ Equal opportunity to compete
- ▶ Being overly restrictive is not allowed
- ▶ Fairness, integrity and transparency is critical
- ▶ Essential for purchasing quality goods at the lowest possible price

## 4. Responsive and Responsible Vendors

- ▶ Purchase must be made from a vendor who is *responsive* and *responsible*.
- ▶ **Responsive:** Vendor provided the information that was requested
- ▶ **Responsible:** Vendor is capable of performing successfully under the terms and conditions of the contract

# Procurement Methods

- ▶ **Informal**

- ▶ Micro-purchase
- ▶ Small Purchase/Request for Quote

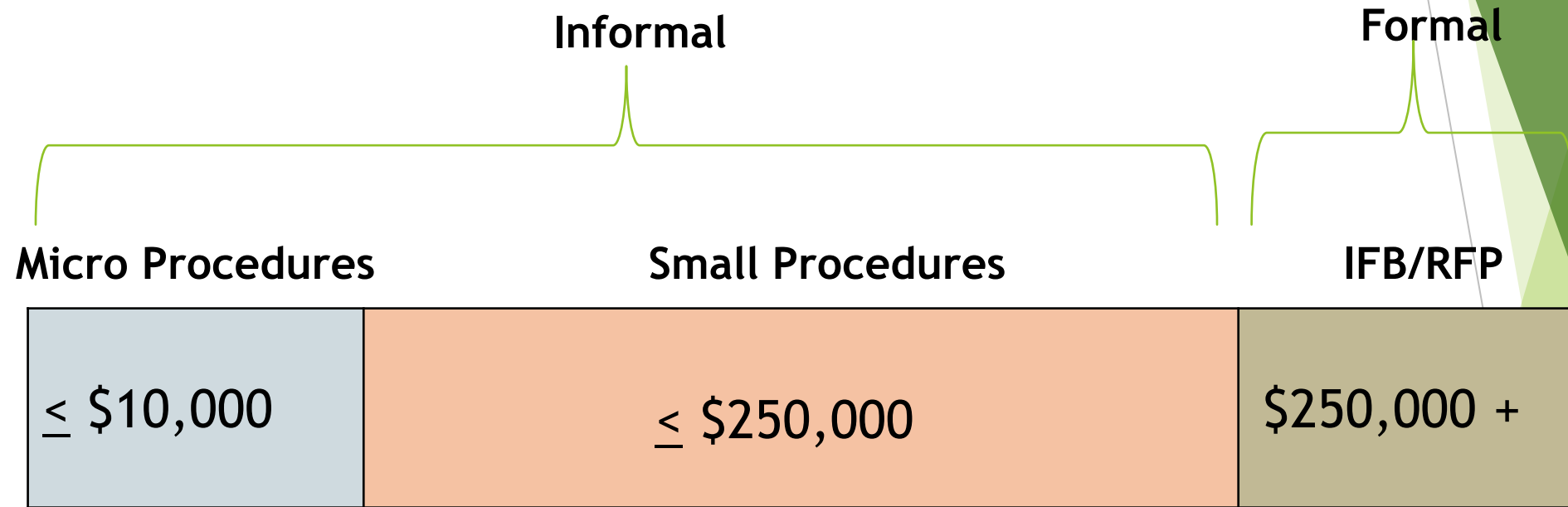
- ▶ **Formal**

- ▶ Invitation for Bid (IFB)
- ▶ Request for Proposal (RFP)
- ▶ Noncompetitive/ Sole Source

Method used depends on the dollar value of the purchase.



# Federal Thresholds\*



\*Local thresholds may be more restrictive. Check with your business office.

# Informal: Micro-purchases

- ▶ Purchase amount  $\leq$  \$10,000
  - ▶ Local threshold may be more restrictive
- ▶ Distribute purchases equitably among qualified suppliers
- ▶ Prices must be reasonable

Maintain all documentation!

# Informal: Small Purchase

- ▶ Value of purchase is  $\leq$  \$250,000\*
  - ▶ Local threshold may be more restrictive
- ▶ “three bids and a buy”
- ▶ Purchase from lowest price
- ▶ Less rigorous than the formal method

Maintain all documentation!

# Small Purchase Steps

1. Written, clear specifications
2. Request quotes
3. Award the contract to:
  - ▶ responsive & responsible
  - ▶ Lowest price
4. Oversee contract for compliance

Maintain all documentation!

# Formal

- ▶ Value of purchase is > \$250,000
  - ▶ Local threshold may be more restrictive
- ▶ Types:
  1. Invitation for Bid
  2. Request for Proposal
  3. Non-Competitive

# Formal: IFB and RFP

## Invitation for Bid (IFB)

- ▶ Competitive sealed bidding
- ▶ Results in a fixed-price contract
- ▶ Publicly advertised
- ▶ Publicly opened
- ▶ Clear specifications
- ▶ Awarded to lowest priced responsive & responsible bidder

## Request for Proposals (RFP)

- ▶ Competitive proposal
- ▶ Results in a fixed price OR cost-reimbursable contract (cost plus fixed fee)
- ▶ *Cost plus percentage is not allowed!*
- ▶ Publicly advertised
- ▶ No public opening
- ▶ Solicitation includes description of evaluation criteria (price is the primary factor)

# Formal: Non-Competitive

- ▶ Competition is inadequate or impossible
  - ▶ Item only available from a single source
  - ▶ Public emergency

# Required Policies/Procedures

1. Written Code of Conduct
2. Procurement Procedures



# Written Code of Conduct

1. Prohibit real, or apparent conflicts of interest for employees engaged in selection, award, and administration of contracts
2. Indicate that employees are prohibited from soliciting gifts/incentives
3. Include disciplinary actions for violations

# Written Procurement Procedures

- ▶ Compliant with procurement regulations
- ▶ Include procurement methods to be used /dollar thresholds
- ▶ Reference Federal, State and local regulations
- ▶ Prohibits unnecessary or duplicative purchases
- ▶ Buy American Provision
- ▶ ...other items listed on the Procurement Procedures Handout

# Template

<https://www.maine.gov/doe/schools/nutrition/financial>

## Template for School Nutrition Programs Procurement Procedures and Code of Conduct

*School Food Authorities (SFAs) may use this template to identify their procurement plan for USDA School Nutrition Programs. Each SFA is responsible for customizing these procedures and ensuring compliance with Federal, State, and Local procurement regulations. Federal purchase thresholds are used in this template: \$0-\$10,000 micro-purchase; \$10,001 - \$250,000 small purchase; and over \$250,000 formal procedures. However, if a District's purchase thresholds are more restrictive, the more restrictive thresholds must be followed and be reflected in this plan.*

### A. General Procurement

1. The **NAME** plan for procuring items for use in the School Nutrition Programs is as follows. The procurement procedures maximize full and open competition, transparency in transactions, comparability, and documentation of all procurement activities.
2. When purchasing an item or items with an aggregate total of \$10,000 or less *[insert local amount if more restrictive]*, the **NAME** will follow micro-purchase procedures. To the extent practicable, the **NAME** will distribute micro-purchases equitably among qualified suppliers. Micro-purchases may be awarded if **NAME** considers the price to be reasonable as required by 2 CFR 200.67.
3. For purchases between \$10,001 and \$250,000 *[insert local amount if more restrictive]*, **NAME** will conduct informal procurement at a minimum. The **NAME** will draft specifications

# Where do I Start?

1. Remember the 4 keys of Procurement
2. Find out is your local Small Purchase Threshold?
3. Document everything!!!
4. Find your district's Code of Conduct and Procurement Procedures

# Contact US

Maine Department of Education Child Nutrition

624-6842 / 624-6843

[child.nutrition@maine.gov](mailto:child.nutrition@maine.gov)

# Thank you

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- (1) mail: U.S. Department of Agriculture  
Office of the Assistant Secretary for Civil Rights  
1400 Independence Avenue, SW  
Washington, D.C. 20250-9410;
- (2) fax: (202) 690-7442; or
- (3) email: [program.intake@usda.gov](mailto:program.intake@usda.gov).

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(Federal statement updated 1/3/2020)

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# Terms

- ▶ Solicitation- document that contains clear and accurate descriptions of what it is you are looking for and all requirements.

# Terms

- ▶ Specification - a concise statement or description about the item